No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

This short form prospectus has been filed under legislation in each of the provinces and territories of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities. This short form base shelf prospectus has been filed in reliance on an exemption from the preliminary base shelf prospectus requirement for a well-known seasoned issuer.

This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and accordingly will not be offered, sold or delivered, directly or indirectly within the United States of America, its possessions and other areas subject to its jurisdiction or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S), except in limited circumstances. See "Plan of Distribution".

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada.** Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Hydro One Limited at 483 Bay Street, South Tower, 8th Floor, Toronto, Ontario M5G 2P5, (416) 345-6313 and are also available electronically at www.sedar.com.*

SHORT FORM BASE SHELF PROSPECTUS

New Issue and/or Secondary Offering August 15, 2022

HYDRO ONE LIMITED

$2,000,000,000
Common Shares
Preferred Shares
Debt Securities
Subscription Receipts
Warrants
Units

Hydro One Limited may from time to time issue, offer and sell, as applicable, the following securities of Hydro One Limited under this short form base shelf prospectus (the "**Prospectus**"): (i) common shares ("**Common Shares**"); (ii) preferred shares, issuable in one or more series (collectively, "**Preferred Shares**"); (iii) debentures, notes or other evidence of indebtedness of any kind, nature or description, including convertible debt securities and debt securities payable on an instalment basis and represented by instalment receipts (collectively, "**Debt Securities**"); (iv) subscription receipts ("**Subscription Receipts**"); (v) warrants ("**Warrants**") and (vi) units comprised of one or more of the other securities described in this Prospectus ("**Units**"). The Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units (collectively, the "**Securities**") offered hereby may be offered or sold separately or together, in separate series, in amounts, at prices and on terms to be determined based on market conditions at the time of sale and set forth in one or more prospectus supplements to the Prospectus (each, a "**Prospectus Supplement**" and together, the "**Prospectus Supplements**"). One or more selling securityholders may also offer and sell Securities under this Prospectus. See "Selling Securityholders".

The aggregate initial offering price of Securities (or the Canadian dollar equivalent thereof if the Securities are denominated in any other currency or currency unit) that may be sold pursuant to this Prospectus during the 25-month period that this Prospectus, including any amendments hereto, remains effective is limited to $2,000,000,000.

All shelf information permitted under applicable securities laws to be omitted from this Prospectus will be contained in one or more Prospectus Supplements that will be delivered to purchasers together with this Prospectus. Each Prospectus Supplement will be incorporated by reference into this Prospectus for the purposes of securities legislation as of the date of such Prospectus Supplement and only for the purposes of the distribution of the Securities to which such Prospectus Supplement pertains.

The outstanding Common Shares are listed on the Toronto Stock Exchange ("**TSX**") under the symbol "H". On August 12, 2022, the last trading day prior to the date of this Prospectus, the closing price of the Common Shares on the TSX was $35.29 per Common Share. Unless otherwise specified in the applicable Prospectus Supplement, the Securities other than Common Shares will not be listed on any securities exchange. **There is currently no market through which the Securities, other than the Common Shares, may be sold, and purchasers may not be able to resell such Securities purchased under this Prospectus and any applicable Prospectus Supplement. This may affect the pricing of such Securities in the secondary market, the transparency and availability of trading prices, the liquidity of the Securities and the extent of issuer regulation. See "Plan of Distribution" and "Risk Factors" in this Prospectus and in any applicable Prospectus Supplement relating to a particular offering of Securities.**

Unless otherwise indicated in the Prospectus Supplement relating to an offering of Securities, the particular offering of Securities will be subject to approval of certain legal matters on behalf of Hydro One Limited by Osler, Hoskin & Harcourt LLP.

Investing in the Securities involves significant risks. Prospective investors should carefully read and consider the risk factors described or referenced under the heading "Cautionary Note Regarding Forward-Looking Information" and "Risk Factors" in this Prospectus, contained in any of the documents incorporated by reference herein, and in any applicable Prospectus Supplement, before purchasing Securities.

The specific terms of the Securities will be set forth in an accompanying Prospectus Supplement and may include, where applicable: (i) in the case of Common Shares, the number of Common Shares offered and the offering price (or the manner of determination thereof if offered on a non-fixed price basis); (ii) in the case of Preferred Shares, the series, the number of Preferred Shares offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the dividend rate, the dividend payment dates, any terms for redemption at the option of Hydro One Limited or at the option of the holder, any exchange or conversion terms and any other specific terms that are material to the series of Preferred Shares; (iii) in the case of Debt Securities, the designation of the particular series, the aggregate principal amount of Debt Securities being offered, the offering price, the interest rate or method of determining the interest rate, the interest payment date(s), any conversion or exchange rights that are attached to the Debt Securities, whether the Debt Securities are payable on an instalment basis, any redemption provisions, any repayment provisions and any other material terms and conditions of the Debt Securities; (iv) in the case of Subscription Receipts, the number of Subscription Receipts being offered, the offering price (or the manner of determination thereof if offered on a non-fixed price basis), the conditions and procedures for exchange of the Subscription Receipts for other Securities of Hydro One Limited and any other material terms and conditions of the Subscription Receipts; (v) in the case of Warrants, the designation, number and terms of the other Securities purchasable upon exercise of the Warrants, any procedures that will result in the adjustment of these numbers, the exercise price, dates and periods of exercise and any other material terms and conditions of the Warrants; and (vi) in the case of Units, the designation of the Units and of the Securities comprising the Units and any other material terms and conditions of the Units.

Hydro One Limited reserves the right to include in a Prospectus Supplement specific variable terms pertaining to the Securities that are not within the descriptions set forth in this Prospectus.

Prospective investors should be aware that the acquisition of the Securities described herein may have tax consequences. This Prospectus does not, and any applicable Prospectus Supplement may not fully, describe these tax consequences. Prospective investors should read the tax discussion in any applicable Prospectus Supplement, but note that such discussion may be only a general summary that does not cover all tax matters that may be of importance to a prospective investor. Each prospective investor is urged to consult its own tax advisors about the tax consequences relating to the purchase, ownership and disposition of the Securities in light of the investor's own circumstances.

No underwriter, dealer or agent has been involved in the preparation of this Prospectus or has performed any review of the contents of this Prospectus.

This Prospectus constitutes a public offering of Securities in only those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell the Securities. Hydro One Limited and any selling securityholder may offer and sell the Securities to, or through, underwriters or dealers purchasing as principals and may also sell the Securities to one or more purchasers directly or through agents. See “Plan of Distribution”.

A Prospectus Supplement relating to a particular offering of Securities will identify the person(s) offering the Securities, as applicable, each underwriter, dealer or agent, as the case may be, engaged by Hydro One Limited and/or any selling securityholder in connection with the offering and sale of the Securities, and will set forth the terms of the offering of the Securities, including the public offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, including, to the extent applicable, the proceeds to, and the portion of expenses borne by, Hydro One Limited and/or any selling securityholder, as applicable, from such sale, any underwriting fees, discounts or commissions and any discounts or concessions allowed, re-allowed or paid by any underwriter to other dealers and other material terms of the plan of distribution. If offered on a non-fixed price basis, Securities may be offered at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at prices to be negotiated with purchasers at the time of sale, which prices may vary between purchasers and during the period of distribution. If Securities are offered on a non-fixed price basis, the underwriters’, dealers’ or agents’ compensation, as applicable, will be increased or decreased by the amount by which the aggregate price paid for Securities by the purchasers exceeds or is less than the gross proceeds paid by the underwriters, dealers or agents to Hydro One Limited and/or a selling securityholder. See “Plan of Distribution”.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time. See “Plan of Distribution”.

Hydro One Limited has delivered an undertaking with each of the securities regulatory authorities in each of the provinces and territories of Canada that it will not distribute Securities that, at the time of distribution, are novel “specified derivatives”, without first pre-clearing with the applicable regulator the disclosure to be contained in the Prospectus Supplement pertaining to the distribution of such Securities.

As of the date hereof, Hydro One Limited has determined that it qualifies as a “well-known seasoned issuer” under the WKSI Blanket Orders (as defined below). See “Exemptions – Reliance on Exemptions for Well-Known Seasoned Issuers”.

The head and registered office of Hydro One Limited is located at 483 Bay Street, South Tower, 8th Floor, Toronto, Ontario, M5G 2P5.

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ABOUT THIS PROSPECTUS

In this Prospectus and in any Prospectus Supplement, unless otherwise noted or the context otherwise requires, references to "**Hydro One**" or the "**Company**" refer to Hydro One Limited and its subsidiaries taken together as a whole. References to "**Hydro One Inc.**" refer only to Hydro One Inc. and references to "**Hydro One Limited**" refer only to Hydro One Limited. In addition, "**Ontario**" or the "**province**" in lower case type refers to the Province of Ontario as a geographical area.

All references in this Prospectus to "**dollars**" and "**$**" are to Canadian dollars, unless otherwise expressly stated. Unless otherwise expressly stated therein, the financial information of Hydro One Limited contained in the documents incorporated by reference herein are presented in Canadian dollars. Hydro One Limited prepares and presents its financial statements in accordance with U.S. GAAP. Unless otherwise indicated, all financial information included and incorporated by reference in this Prospectus or included in any Prospectus Supplement is prepared in accordance with U.S. GAAP. "**U.S. GAAP**" means generally accepted accounting principles in the United States.

This Prospectus provides a general description of the Securities that Hydro One Limited and/or a selling securityholder may offer. Each time Hydro One Limited and/or a selling securityholder sell Securities under this Prospectus, Hydro One Limited will provide you with a Prospectus Supplement that will contain specific information about the terms of that offering. The Prospectus Supplement may also add, update or change information contained in this Prospectus. Before investing in any Securities, a prospective investor should read both this Prospectus and any applicable Prospectus Supplement, together with the additional information described below and in the applicable Prospectus Supplement under "Documents Incorporated by Reference".

This Prospectus includes or the documents incorporated by reference herein include a summary of certain material agreements of Hydro One Limited. The summary descriptions are not complete and are qualified by reference to the terms of the material agreements, which have been filed with the Canadian securities regulatory authorities and are available on SEDAR under Hydro One Limited's profile at www.sedar.com. Investors are encouraged to read the full text of such material agreements.

Hydro One Limited is responsible for the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement. Neither Hydro One Limited, nor any selling securityholder has authorized anyone to provide you with different or additional information. Investors should only rely on the information contained in this Prospectus or any Prospectus Supplement and in the documents incorporated by reference herein and therein and investors are not entitled to rely on parts of such information to the exclusion of others. Neither Hydro One Limited nor any selling securityholder is making an offer of Securities in any jurisdiction where the offer is not permitted by law. You should not assume that the information contained in or incorporated by reference in this Prospectus or any applicable Prospectus Supplement is accurate as of any date other than the date of the applicable document.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus, including the documents incorporated by reference herein, contains "forward-looking information" within the meaning of applicable Canadian securities laws that is based on current expectations, estimates, forecasts and projections about Hydro One's business and the industry, regulatory and economic environments in which Hydro One operates and includes beliefs and assumptions made by management. Such information includes, but is not limited to, statements related to: the general development of the Company's business; the Company's strategy and goals; the Company's relationship with Her Majesty the Queen in Right of Ontario and/or her designee (the "**Province**"); the terms for an offering of Securities under this Prospectus; future sales of Common Shares or other Securities; and statements concerning the content of future Prospectus Supplements. Additional forward-looking information is identified in the various documents incorporated by reference in this Prospectus, including in the section entitled "Forward-Looking Information" in Hydro One Limited's most recent annual information form and the section entitled "Forward-Looking Statements and Information" in Hydro One Limited's most recent annual management's discussion and analysis of financial results. Words such as "aim", "could", "would", "expect", "anticipate", "intend", "attempt", "may", "plan", "will", "believe", "seek", "estimate", "goal", "target" and variations of such words and similar expression are intended to identify such forward-looking information. The forward-looking information contained or incorporated by reference in this Prospectus are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. In particular, this forward-looking information is based on a variety of factors and assumptions including, but not limited to: the scope of the COVID-19 pandemic and duration thereof as well as the effect and severity of corporate and other mitigation measures on the Company's operations, supply chain or employees;

no unforeseen changes in the legislative and operating framework for Ontario's electricity market or for Hydro One specifically; favourable decisions from the Ontario Energy Board and other regulatory bodies concerning outstanding and future rate and other applications; no unexpected delays in obtaining required approvals; no unforeseen changes in rate orders or rate setting methodologies for the Company's distribution and transmission businesses; the continued use and availability of U.S. GAAP; no unfavourable changes in environmental regulation; a stable regulatory environment; no significant changes to the Company's current credit ratings; no unforeseen impacts of new accounting pronouncements; no changes to expectations regarding electricity consumption; no unforeseen changes to economic and market conditions; recoverability of costs and expenses related to the COVID-19 pandemic, including the costs of customer defaults resulting from the pandemic; completion of operating and capital projects that have been deferred; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to the Company including information obtained by the Company from third-party sources. Actual results may differ materially from those predicted by such forward-looking information. While the Company does not know what impact any of these differences may have, the Company's business, results of operations, financial conditions and credit stability may be materially adversely affected if any such differences occur. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in more detail under "Risk Factors" in this Prospectus or in any Prospectus Supplement and in the various documents incorporated by reference in this Prospectus, including in the sections entitled "Forward-Looking Information" and "Risk Factors" in Hydro One Limited's most recent annual information form and the sections entitled "Risk Management and Risk Factors" and "Forward-Looking Statements and Information" in Hydro One Limited's most recent annual management's discussion and analysis of financial results. You should carefully consider these and other factors and not place undue reliance on forward-looking information.

Hydro One Limited does not undertake or assume any obligation to update or revise any forward-looking information for any reason, except as required by applicable securities laws.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by Hydro One Limited with the securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference into, and form an integral part of, this Prospectus:

(a) the annual information form of Hydro One Limited dated February 25, 2022 for the year ended December 31, 2021;

(b) the comparative audited consolidated financial statements of Hydro One Limited as at and for the years ended December 31, 2021 and December 31, 2020, together with the notes thereto and the independent auditors' report thereon (the "**2021 Annual Financial Statements**");

(c) management's discussion and analysis in respect of the 2021 Annual Financial Statements (the "**Annual MD&A**");

(d) the management information circular of Hydro One Limited dated March 28, 2022 prepared in connection with the annual meeting of shareholders of Hydro One Limited held on June 8, 2022;

(e) the comparative unaudited condensed interim consolidated financial statements of Hydro One Limited as at and for the three and six months ended June 30, 2022, together with the notes thereto (the "**Interim Financial Statements**");

(f) management's discussion and analysis in respect of the Interim Financial Statements (the "**Interim MD&A**"); and

(g) the material change report of Hydro One Limited dated June 21, 2022 in respect of a change in the chief executive officer of Hydro One.

Except as otherwise stated below, any documents of the type required to be incorporated by reference into a prospectus filed under National Instrument 44-101 – *Short Form Prospectus Distributions*, including any document of the type referred to above, any material change report (excluding confidential material change reports), any business acquisition report or other disclosure document filed by Hydro One Limited with the securities commissions or similar authorities in Canada after the date of this Prospectus and prior to 25 months from the date hereof shall be deemed to be incorporated by reference into this Prospectus.

Upon a new annual information form and the related annual audited consolidated financial statements and accompanying management's discussion and analysis being filed by Hydro One Limited with and, where required, accepted by, the applicable securities commissions or similar authorities in Canada during the term of this Prospectus, the previous annual information form, the previous annual audited consolidated financial statements and accompanying management's discussion and analysis and all interim financial statements and accompanying management's discussion and analysis, all material change reports filed by Hydro One Limited prior to the commencement of the then current fiscal year and any business acquisition report for acquisitions completed since the beginning of the financial year in respect of which Hydro One Limited's new annual information form is filed (unless such report is incorporated by reference into the new annual information form filed or less than nine months of the acquired business' or related businesses' operations are incorporated into Hydro One Limited's most recent audited annual financial statements), shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon an interim financial statement and accompanying management's discussion and analysis being filed by Hydro One Limited with and, where required, accepted by, the applicable securities commissions or similar authorities in Canada during the currency of this Prospectus, all interim financial statements and accompanying management's discussion and analysis filed prior to the new interim financial statements shall be deemed no longer to be incorporated into this Prospectus for purposes of future offers and sales of Securities hereunder. Upon a new management information circular relating to an annual meeting of shareholders of Hydro One Limited being filed by Hydro One Limited with and, where required, accepted by, the applicable securities commissions or similar authorities in Canada during the term of this Prospectus, the management information circular for the preceding annual meeting of shareholders of Hydro One Limited shall be deemed no longer to be incorporated by reference into this Prospectus for purposes of future offers and sales of Securities hereunder.

Certain marketing materials (as that term is defined in applicable securities legislation in Canada) may be used in connection with a distribution of Securities under this Prospectus and any applicable Prospectus Supplement. Any "template version" of any such "marketing materials" (as those terms are defined in National Instrument 41-101 – *General Prospectus Requirements*) pertaining to a distribution of Securities, and filed by Hydro One Limited after the date of the applicable Prospectus Supplement for the offering and before termination of the distribution of such Securities, will be deemed to be incorporated by reference in such Prospectus Supplement for the purposes of the distribution of Securities to which the Prospectus Supplement pertains.

A Prospectus Supplement containing the specific terms of any offering of Securities will be delivered to purchasers of such Securities together with this Prospectus and will be deemed to be incorporated by reference in this Prospectus as of the date of the Prospectus Supplement solely for the purposes of the offering of Securities thereunder.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for the purposes of this Prospectus, to the extent that a statement contained herein, or in any other subsequently filed document that also is, or is deemed to be, incorporated by reference herein, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that was required to be stated or that was necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus, except as so modified or superseded.

Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of Hydro One Limited at 483 Bay Street, South Tower, 8th Floor, Toronto, Ontario, M5G 2P5, telephone (416) 345-6313, and are also available electronically at www.sedar.com.

THE COMPANY

Hydro One Limited was incorporated on August 31, 2015 under the *Business Corporations Act* (Ontario) (the "**OBCA**"). On October 31, 2015, Hydro One Limited acquired all of the issued and outstanding shares of Hydro One Inc. from the Province in exchange for the issuance of Common Shares and Series 1 preferred shares of Hydro One Limited (the "**Series 1 Preferred Shares**") to the Province.

Through its wholly-owned subsidiary Hydro One Inc., Hydro One is Ontario's largest electricity transmission and distribution utility. Hydro One owns and operates substantially all of Ontario's electricity transmission network and is the largest electricity distributor in Ontario by number of customers. Hydro One owns and operates approximately 30,000 circuit kilometres of high-voltage transmission lines and approximately 125,000 circuit kilometres of primary low-voltage distribution lines.

Hydro One has three segments: (i) transmission business; (ii) distribution business; and (iii) other.

Hydro One's transmission business consists of owning, operating and maintaining its transmission system, which , as of December 31, 2021, accounted for approximately 98% of Ontario's transmission capacity based on revenue approved by the Ontario Energy Board. All of Hydro One's transmission business is carried out by subsidiaries of Hydro One Inc., including through Hydro One Networks Inc. ("**HONI**") and Hydro One Sault Ste. Marie LP, as well as through Hydro One's approximately 66% interest in B2M Limited Partnership, a limited partnership between Hydro One and the Saugeen Ojibway Nation with respect to the Bruce-to-Milton transmission line, and approximately 55% interest in Niagara Reinforcement Limited Partnership, a limited partnership between Hydro One and Six Nations of the Grand River Development Corporation and, through a trust, the Mississaugas of the Credit First Nation, formed for the purpose of owning a new 230 kilovolt transmission line in the Niagara region. Hydro One's transmission business is a rate-regulated business that earns revenues mainly from charging transmission rates that are subject to approval by the Ontario Energy Board. Hydro One's transmission business represented approximately 60% of its total assets as at December 31, 2021, approximately 50% of its total revenue, net of purchased power(1), in 2021, and approximately 25% of its total revenue in 2021.

Hydro One's distribution business consists of owning, operating and maintaining its distribution system, which Hydro One, through Hydro One Inc., owns primarily through its wholly-owned subsidiary, HONI, the largest local distribution company in Ontario. Hydro One's distribution system is also the largest in Ontario, and services a predominantly rural territory. Hydro One's distribution business is a rate-regulated business that earns revenues mainly by charging distribution rates that are subject to approval by the Ontario Energy Board. Hydro One's distribution business represented approximately 38% of its total assets as at December 31, 2021, approximately 49% of its total revenue, net of purchased power(1), in 2021 and approximately 74% of its total revenue in 2021.

Hydro One's other segment consists principally of its telecommunications business, which provides telecommunications support for Hydro One's transmission and distribution businesses. The telecommunications business is carried out by its wholly-owned subsidiary Acronym Solutions Inc. (formerly, Hydro One Telecom Inc.). It also offers comprehensive information and communications technology services and solutions (for example, cloud services, managed services and security-based services) that extend beyond Acronym Solutions Inc.'s fibre optic network, in a competitive commercial market. Acronym Solutions Inc. is not regulated by the Ontario Energy Board. However, Acronym Solutions Inc. is registered with the Canadian Radio-television and Telecommunications Commission as a non-dominant, facilities-based carrier, providing broadband telecommunications services in Ontario with connections to Montreal, Quebec, Buffalo, New York and Detroit, Michigan. The other segment also includes a deferred tax asset. The deferred tax asset arose from the revaluation of the tax bases of Hydro One's assets to fair market value when the Company transitioned from the provincial payments in lieu of tax regime to the federal tax regime at the time of the Company's initial public offering in 2015. Furthermore, Hydro One's other segment also includes a joint venture that owns and operates electric vehicle fast charging stations across Ontario under the Ivy Charging Network brand. The other segment represented approximately 2% of Hydro One's total assets as at December 31, 2021, approximately 1% of its total revenue, net of purchased power(1), in 2021 and approximately 1% of its total revenue in 2021.

The address of the head and registered office of Hydro One Limited is 483 Bay Street, South Tower, 8th Floor, Toronto, Ontario, M5G 2P5. See the section entitled "Business of Hydro One" in the latest annual information form of Hydro One Limited for further details relating to Hydro One's business.

[1] Revenues, net of purchased power is a non-GAAP financial measure. Non-GAAP financial measures do not have a standardized meaning under U.S. GAAP, which is used to prepare Hydro One Limited's financial statements, and accordingly, these measures may not be comparable to similar measures used by other companies. Additional disclosure for this non-GAAP financial measure is incorporated by reference herein and can be found in the sections titled "Non-GAAP Measures" of the Annual MD&A and Interim MD&A, each of which is available on SEDAR under Hydro One Limited's profile at www.sedar.com.

RISK FACTORS

Prospective investors in a particular offering of Securities should carefully consider the risks presented in this Prospectus, as well as the information and risk factors contained in the Prospectus Supplement relating to that offering and any and all other information incorporated by reference in this Prospectus. Discussions of certain risks affecting Hydro One are generally provided and described in documents filed by Hydro One Limited with the securities regulatory authorities in each of the provinces and territories of Canada from time to time and which are incorporated by reference into this Prospectus, including Hydro One Limited's annual information form and Annual MD&A. In particular, see the sections entitled "Forward-Looking Information" and "Risk Factors" in Hydro One Limited's most recent annual information form and the sections entitled "Risk Management and Risk Factors" and "Forward-Looking Statements and Information" in Hydro One Limited's most recent management's discussion and analysis of financial results. If any event arising from these or any other risks occurs, Hydro One's business, prospects, financial condition, results of operations or cash flows could be materially adversely affected.

Potential Difficulties in Enforcing Civil Liabilities Outside Canada

To the extent any particular offering of Securities is made to investors not resident in Canada, the following additional risk factor will be relevant.

Hydro One Limited is incorporated under the laws of Ontario, Canada and substantially all of the Company's assets are located in Canada. All of the directors and officers of Hydro One Limited, and all of the experts named in the Prospectus reside or are located in Canada, and their assets are located in Canada. As a result, it may be difficult for non-Canadian or other investors to effect service of process outside of Canada against Hydro One Limited, the directors and officers of Hydro One Limited or these experts or to sue Hydro One Limited or those others in the United States or other courts. If a lawsuit were successful, it may be difficult to collect any money awarded.

In addition, to the extent any offering pursuant to this Prospectus is also made in the United States, in relation to potential claims by United States investors, the *United States Foreign Sovereign Immunities Act of 1976* (the "**FSIA**") provides that, subject to existing international agreements to which the United States was a party at the time of the enactment of the FSIA, a foreign state or any agency or instrumentality of a foreign state is immune from U.S. federal and state court jurisdiction unless a specific exception to the immunity applies. One such exception applies to claims arising out of "commercial activity" by a foreign state or its agency or instrumentality. However, it is not certain that a court would consider any acts or omissions by Hydro One Limited in connection with an offering pursuant to this Prospectus or otherwise to be "commercial activities" under the FSIA. Absent an applicable exception from immunity under the FSIA, any attempt to assert a claim against Hydro One Limited alleging a violation of the U.S. securities laws resulting from an alleged material misstatement in or material omission from this Prospectus, or any other act or omission in connection with an offering pursuant to this Prospectus, may be barred. Further, absent an applicable exception from immunity under the FSIA, any attempt to assert a claim against Hydro One Limited or any of its respective agents or employees alleging any other complaint may also be barred. In addition, even if a U.S. judgment could be obtained in such an action, the results of such judgment may not be enforceable in Ontario.

CONSOLIDATED CAPITALIZATION

There have been no material changes in Hydro One Limited's share and loan capital, on a consolidated basis, since the date of the Interim Financial Statements.

USE OF PROCEEDS

Unless otherwise indicated in the applicable Prospectus Supplement, Hydro One Limited intends to use the net proceeds received by it from the sale of Securities for working capital requirements or for other general corporate purposes which may include the repayment or refinancing of debt, funding acquisitions, funding capital expenditures or for other working capital needs. More detailed information regarding the use of proceeds from the sale of Securities will be described in the applicable Prospectus Supplement. Hydro One Limited may, from time to time, issue Securities otherwise than through the offering of Securities pursuant to this Prospectus.

Unless otherwise indicated in the applicable Prospectus Supplement, Hydro One Limited will not receive any proceeds from any sale of Securities by any selling securityholder.

EARNINGS COVERAGE RATIO

Earnings coverage ratios will be provided as required in the applicable Prospectus Supplement with respect to any offering and sale of Preferred Shares or Debt Securities pursuant to this Prospectus.

PLAN OF DISTRIBUTION

The Securities offered hereby may be sold by Hydro One Limited or a selling securityholder (i) to, or through, underwriters, dealers or agents purchasing as principal or acting as agent; (ii) directly to one or more purchasers; or (iii) through a combination of any of these methods of sale. The Securities may be sold at fixed prices or non-fixed prices, such as prices determined by reference to the prevailing price of the Securities in a specified market, at market prices prevailing at the time of sale or at prices to be negotiated with purchasers, which prices may vary as between purchasers and during the period of distribution of the Securities.

A Prospectus Supplement relating to a particular offering of Securities will identify the person(s) offering the Securities, as applicable, each underwriter, dealer or agent, as the case may be, engaged by Hydro One Limited and/or any selling securityholder in connection with the offering and sale of the Securities, and will set forth the terms of the offering of the Securities, including the public offering price of such Securities (or the manner of determination thereof if offered on a non-fixed price basis), the method of distribution of such Securities, including, to the extent applicable, the proceeds to, and the portion of expenses borne by, Hydro One Limited and/or any selling securityholder, as applicable, from such sale, any underwriting fees, discounts or commissions and any discounts or concessions allowed, re-allowed or paid by any underwriter to other dealers and other material terms of the plan of distribution. Only underwriters, dealers or agents so named in the applicable Prospectus Supplement are deemed to be underwriters, dealers or agents, as the case may be, in connection with the Securities offered thereby. Unless otherwise indicated in a Prospectus Supplement, any agent is acting on a best efforts basis for the period of its appointment.

The Securities may be sold, from time to time in one or more transactions at a fixed price or prices which may be changed or at market prices prevailing at the time of sale, at prices related to such prevailing market prices or at negotiated prices. The prices at which the Securities may be offered may vary between purchasers and during the period of distribution. If, in connection with the offering of Securities at a fixed price or prices, the underwriters have made a bona fide effort to sell all of the Securities at the initial offering price fixed in the applicable Prospectus Supplement, the public offering price may be decreased and thereafter further changed, from time to time, to an amount not greater than the initial public offering price fixed in such Prospectus Supplement, in which case the compensation realized by the underwriters will be decreased by the amount that the aggregate price paid by purchasers for the Securities is less than the gross proceeds paid by the underwriters to Hydro One Limited and/or a selling securityholder.

If underwriters or dealers purchase Securities as principal, the Securities will be acquired by the underwriters or dealers for their own account and may be resold from time to time in one or more transactions, including negotiated transactions, at a fixed public offering price or at varying prices determined at the time of sale. The obligations of the underwriters or dealers to purchase such Securities will be subject to certain conditions precedent, and the underwriters or dealers will be obligated to purchase all of the Securities offered pursuant to any Prospectus Supplement if any of such Securities are purchased. Any public offering price and any discounts or concessions allowed, re-allowed or paid to dealers may be changed from time to time.

Underwriters, dealers and agents who participate in the distribution of the Securities may be entitled under agreements which may be entered into with Hydro One Limited and, if applicable, selling securityholders, to indemnification by Hydro One Limited and/or the selling securityholders, as applicable, against certain liabilities, including liabilities under securities legislation, or to contribution with respect to payments which such underwriters, dealers or agents may be required to make in respect thereof. Those underwriters, dealers and agents may be customers of, engage in transactions with or perform services for Hydro One or its subsidiaries in the ordinary course of business.

The Securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**U.S. Securities Act**"), or the securities laws of any state of the United States. Accordingly, the Securities may not be offered, sold or delivered, directly or indirectly, within the United States (as defined in Regulation S ("**Regulation S**") under the U.S. Securities Act) (the "**United States**") or to, or for the account or benefit of, any U.S. persons (as defined in Regulation S) except to persons who are "qualified institutional buyers" in reliance on Rule 144A under the U.S. Securities Act ("**Rule 144A**") or in accordance with another exemption from registration, and each underwriter, dealer or agent will agree that it will not offer, sell or deliver the Securities within the United States or to any U.S. persons, except in accordance with Rule 144A or another exemption from registration under the U.S. Securities Act. In addition, with respect to an offering of Securities sold outside the United States in compliance with Regulation S, until 40 days after the commencement of such offering of Securities, an offer or sale of such Securities within the United States or to any U.S. persons by a dealer (whether or not participating in the offering) may violate the registration requirements of the U.S. Securities Act unless the dealer makes the offer or sale in accordance with Rule 144A or another exemption from the registration requirements of the U.S. Securities Act.

The Securities may also be sold internationally as permitted pursuant to private placement exemptions under local securities laws.

Each issue by Hydro One Limited of Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units will be a new issue of securities with no established trading market. In addition, there is currently no trading market for the Series 1 Preferred Shares and Series 2 preferred shares of Hydro One Limited ("**Series 2 Preferred Shares**"). Unless otherwise specified in a Prospectus Supplement relating to an offering of Preferred Shares, Debt Securities, Subscription Receipts, Warrants and Units (whether by Hydro One Limited or/or any selling securityholders, as applicable), such Securities will not be listed on any securities or stock exchange. Any underwriters, dealers or agents to or through whom such Securities are sold may make a market in such Securities, but they will not be obligated to do so and may discontinue any market making at any time without notice. No assurance can be given that a trading market in any such Securities will develop or as to the liquidity of any trading market for such Securities.

In connection with any offering of the Securities (unless otherwise specified in a Prospectus Supplement), the underwriters, dealers or agents may over-allot or effect transactions which stabilize, maintain or otherwise affect the market price of the Securities offered at levels other than those which might otherwise prevail on the open market. These transactions may be commenced, interrupted or discontinued at any time.

SELLING SECURITYHOLDERS

This Prospectus may also, from time to time, relate to the offering of Securities by way of a secondary offering by certain selling securityholders. The terms under which the Securities will be offered by selling securityholders will be described in the applicable Prospectus Supplement. The Prospectus Supplement concerning any offering of Securities by a selling securityholder will include, without limitation, where applicable: (i) the name(s) of the selling securityholders; (ii) the number or amount of Securities owned, controlled or directed by each selling securityholder; (iii) the number or amount of Securities being distributed for the account of each selling securityholder; (iv) the number or amount of Securities to be owned, controlled or directed by each of the selling securityholders after the distribution and the percentage that number or amount represents out of the total number or amount of outstanding Securities of the class or series being distributed; (v) whether the Securities are owned by the selling securityholders both of record and beneficially, of record only or beneficially only; (vi) if the selling securityholder purchased any of the Securities held by it in the 24 months preceding the date of the Prospectus Supplement, the date or dates the selling securityholder acquired the Securities; and (vii) if the selling securityholder acquired the Securities held by it in the 12 months preceding the date of the Prospectus Supplement, the cost thereof to the selling securityholder in the aggregate and on a per-security basis.

DESCRIPTION OF SHARE CAPITAL

The following is a summary of the material attributes and characteristics of Hydro One Limited's authorized share capital, including the Common Shares and Preferred Shares that may be offered and sold from time to time under this Prospectus. The following summary is not complete and is subject to, and qualified in its entirety by reference to, the terms and provisions of Hydro One Limited's articles, as they may be amended from time to time, which are available under Hydro One Limited's profile on SEDAR at www.sedar.com.

Hydro One Limited's authorized share capital consists of an unlimited number of Common Shares and an unlimited number of Preferred Shares, issuable in series, of which 598,714,580 Common Shares and no Preferred Shares are issued and outstanding as of August 12, 2022.

Common Shares

Holders of Common Shares are entitled to receive notice of and to attend all meetings of shareholders, except meetings at which only the holders of another class or series of shares are entitled to vote separately as a class or series, and holders of Common Shares are entitled to one vote per share at all such meetings of shareholders. Hydro One Limited's Common Shares are not redeemable or retractable. Subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares, including the Series 1 Preferred Shares and Series 2 Preferred Shares, holders of Common Shares are entitled to receive dividends if, as, and when declared by the board of directors (the "**Board**") of Hydro One Limited. Subject to the rights, privileges, restrictions and conditions attaching to any other class or series of shares, including the Series 1 Preferred Shares and Series 2 Preferred Shares, holders of Common Shares are also entitled to receive the remaining assets of Hydro One Limited upon its liquidation, dissolution or winding-up or other distribution of Hydro One Limited's assets for the purposes of winding-up its affairs.

Voting securities issued by Hydro One Limited ("**Voting Securities**"), which include the Common Shares, are subject to share ownership restrictions under the *Electricity Act* (Ontario). The share ownership restrictions provide that no person or company (or combination of persons or companies acting jointly or in concert), other than the Province or an underwriter who holds Voting Securities solely for the purposes of distributing them to purchasers who comply with the share ownership restrictions, may beneficially own or exercise control or direction over more than 10% of any class or series of Voting Securities of Hydro One Limited. The articles of Hydro One Limited provide for comprehensive enforcement mechanisms that are applicable in the event of a contravention of the share ownership requirements.

Preferred Shares

Hydro One Limited may from time to time issue Preferred Shares in one or more series. Prior to issuing shares in a series, the Board is required to fix the number of shares in the series and determine the designation, rights, privileges, restrictions and conditions attaching to that series of Preferred Shares.

Subject to the OBCA, holders of Preferred Shares or a series thereof are not entitled to receive notice of, to attend or to vote at any meeting of the shareholders of Hydro One Limited except that votes may be granted to a series of Preferred Shares when dividends have not been paid on any one or more series as determined by the applicable series provisions. Each series of Preferred Shares ranks on parity with every other series of Preferred Shares with respect to dividends and the distribution of assets and return of capital in the event of the liquidation, dissolution or winding up of Hydro One Limited. The Preferred Shares are entitled to a preference over the Common Shares and any other shares ranking junior to the Preferred Shares with respect to payment of dividends and the distribution of assets and return of capital in the event of the liquidation, dissolution or winding up of Hydro One Limited.

As of the date of this Prospectus, Hydro One Limited has authorized for issuance two series of Preferred Shares: (i) the Series 1 Preferred Shares, and (ii) the Series 2 Preferred Shares, none of which are issued and outstanding as of the date of this Prospectus. The material terms of the Series 1 Preferred Shares and Series 2 Preferred Shares are summarized in Hydro One Limited's most recent annual information form.

The particular terms and provisions of any series of Preferred Shares offered pursuant to any Prospectus Supplement will be described in the Prospectus Supplement filed in respect of the offering of such series of Preferred Shares. This description may include, without limitation and as applicable:

- the offering price of the series of Preferred Shares;
- the title, designation and number of shares of the series of Preferred Shares;
- the dividend rate or method of calculation, the payment dates for dividends and whether dividends will be cumulative or noncumulative, and, if cumulative, the dates from which dividends will begin to accumulate;
- any conversion or exchange features or rights;
- whether the series of Preferred Shares will be subject to redemption and the redemption price and other terms and conditions relative to the redemption rights;

- any sinking fund provisions;
- the circumstances in which the series of Preferred Shares will have voting rights, if any;
- any other rights, privileges, restrictions and conditions attaching to the series of Preferred Shares; and
- any other specific terms that are material to such series of Preferred Shares.

DESCRIPTION OF DEBT SECURITIES

The following sets forth certain general terms and provisions of the Debt Securities. The particular terms and provisions of Debt Securities offered pursuant to any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such Debt Securities.

Unless otherwise indicated in the applicable Prospectus Supplement, Debt Securities will be issued under a base trust indenture with Computershare Trust Company of Canada, as trustee, dated October 15, 2020 ("**Base Indenture**"), as amended or supplemented from time to time by one or more supplemental indentures applicable to specific Debt Securities. A copy of the Base Indenture has been filed and is available on SEDAR and a copy of any such supplemental indentures to the Base Indenture, once executed, will be made available on SEDAR at www.sedar.com. Unless otherwise specified in a Prospectus Supplement, references to the "**Indenture**" in this Prospectus and in any Prospectus Supplement in respect of a particular series of Debt Securities refer to the Base Indenture, as supplemented by the supplemental indenture applicable to such series. Debt securities may also be issued under one or more other indentures from time to time. The statements made hereunder relating to the Indenture and the Debt Securities to be issued thereunder are summaries of certain anticipated provisions thereof and do not purport to be complete and are subject to, and are qualified in their entirety by reference to, all provisions of the Indenture.

The Debt Securities will be direct obligations of Hydro One Limited and may be guaranteed by some or all subsidiaries of Hydro One Limited. To the extent that some or all subsidiaries of Hydro One Limited guarantee Debt Securities issued by Hydro One Limited, then to the extent the conditions of Item 13.4(e)(i) of Form 44-101F1 – *Short Form Prospectus* ("**Form 44-101F1**") are not met, the applicable Prospectus Supplement qualifying the distribution of such guaranteed Debt Securities will contain or incorporate by reference consolidating summary financial information contemplated by Item 13.4(e)(ii) of Form 44-101F1 provided the other conditions of Item 13.4 are met or, alternatively, will contain the disclosure contemplated by Item 12 of Form 44-101F1. Hydro One Limited has delivered an undertaking to the securities regulatory authorities in each of the provinces and territories of Canada whereby it has undertaken, to the extent some or all subsidiaries of Hydro One Limited guarantee Debt Securities issued by Hydro One Limited and the conditions of Item 13.4 of Form 44-101F1 are not met, to file the periodic and timely disclosure of any such subsidiaries similar to the disclosure required under Item 12.1 of Form 44-101F1, for so long as the guaranteed Debt Securities being distributed under the applicable Prospectus Supplement are issued and outstanding. In addition, to the extent that some or all subsidiaries of Hydro One Limited guarantee Debt Securities issued by Hydro One Limited, the applicable Prospectus Supplement will include a certificate signed by each subsidiary providing a guarantee.

The Debt Securities will be senior or subordinated indebtedness of Hydro One Limited and may be secured or unsecured. Unless otherwise provided in the applicable Prospectus Supplement, a series of Debt Securities may be reopened for the issuance of additional Debt Securities of such series.

The particular terms of each issue of Debt Securities will be described in the related Prospectus Supplement filed in respect of the offering of such Debt Securities. Such description may include, where applicable:

- the designation and aggregate principal amount of the Debt Securities;
- any limit on the aggregate principal amount of the Debt Securities;
- the authorized denominations of the Debt Securities;
- the currency or currency units for which the Debt Securities may be purchased and the currency or currency units in which the principal and any interest is payable (in either case, if other than Canadian dollars);

- the price at which the Debt Securities will be issued or whether the Debt Securities will be issued on a non-fixed price basis;
- the date or dates on which the Debt Securities will mature;
- the rate or rates per annum (which may be fixed or variable) at which the Debt Securities will bear interest (if any), or the method of determination of such rates (if any);
- the dates on which any such interest will be payable and the record dates for such payments;
- whether the Debt Securities will be subject to redemption or call, and, if so, the terms of such redemption or call provisions;
- whether the Debt Securities will be subject to any sinking fund provisions;
- the ranking of the Debt Securities relative to the other debt of Hydro One Limited and the terms of the subordination of any subordinated Debt Securities;
- whether or not the Debt Securities will be secured or unsecured, and the terms of any security provided;
- whether the Debt Securities are convertible or exchangeable into other Securities and the terms of conversion or exchange;
- any terms relating to the modification, amendment or waiver of any terms of such Debt Securities or the applicable Indenture;
- covenants relating to the payment of principal and interest on the Debt Securities and other covenants applicable to such Debt Securities;
- the trustee under the Indenture pursuant to which the Debt Securities are to be issued;
- the events of default applicable to the Debt Securities;
- whether or not the Debt Securities will be guaranteed by some or all of the subsidiaries of Hydro One Limited, and the terms of any such guarantees;
- whether the Debt Securities (or instalment receipts representing the Debt Securities, if applicable) will be listed on any securities exchange;
- whether the Debt Securities will be issued with any other securities and, if so, the amount and terms of these securities;
- the material income tax consequences of owning, holding and disposing of the Debt Securities; and
- any other material terms and conditions of the Debt Securities.

The Debt Securities offered pursuant to this Prospectus and any Prospectus Supplement may be represented by instalment receipts which will provide for payment for the Debt Securities on an instalment basis, the particular terms and provisions of which will be described in the applicable Prospectus Supplement and set out in an instalment receipt and pledge agreement or similar agreement. Any such instalment receipt will evidence, among other things: (i) the fact that a first instalment payment has been made in respect of the Debt Securities represented thereby, and (ii) the beneficial ownership of the Debt Securities represented by the instalment receipt, subject to a pledge of such Debt Securities securing the obligation to pay the balance outstanding under such Debt Securities on or prior to a certain date. A copy of any such instalment receipt and pledge agreement or similar agreement, once executed, will be made available on SEDAR at www.sedar.com.

Debt Securities may, at the option of Hydro One Limited, be issued in fully registered form, in "book-entry only" form or they may be uncertificated, which will be set forth in the applicable Prospectus Supplement along with a description of the applicable ownership (including beneficial ownership), transfer and exchange provisions.

Debt Securities may be offered separately or together with other Securities under this Prospectus and may be convertible or exchangeable into other Securities under this Prospectus.

DESCRIPTION OF SUBSCRIPTION RECEIPTS

The following sets forth the general terms of the Subscription Receipts. The particular terms and provisions of Subscription Receipts offered pursuant to any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such offering of Subscription Receipts. Subscription Receipts may be offered separately or together with other Securities. The Subscription Receipts will be issued under one or more subscription receipt agreements that will be entered into by Hydro One Limited and an escrow or other agent at the time of issuance of the Subscription Receipts. A copy of any such subscription receipt agreement, once executed, will be made available on SEDAR at www.sedar.com.

Subscription Receipts will entitle the holder thereof to receive other Securities (typically Common Shares), for no additional consideration, upon the completion of a particular transaction or event, typically an acquisition of the assets or securities of another entity by the Company. The subscription proceeds from an offering of Subscription Receipts will be held in escrow by an escrow or other agent pending the completion of the transaction or the termination time (the time at which the escrow terminates regardless of whether the transaction or event has occurred). Holders of Subscription Receipts will receive other Securities upon the completion of the particular transaction or event or, if the transaction or event does not occur by the termination time, a return of the subscription funds for their Subscription Receipts together with any interest or other income earned thereon. Subscription Receipts may be offered independently or together with other Securities.

Holders of Subscription Receipts are not shareholders of Hydro One Limited. The particular terms and provisions of Subscription Receipts offered by this Prospectus will be described in the Prospectus Supplement filed in respect of the offering of such Subscription Receipts. Such description may include, without limitation and as applicable:

- the number of Subscription Receipts offered;
- the price at which the Subscription Receipts will be offered and whether the price is payable in instalments;
- the terms, conditions and procedures pursuant to which the holders of Subscription Receipts will become entitled to receive other Securities;
- any entitlements of the holders of Subscription Receipts to receive dividends or other distributions declared on Common Shares or other Securities including any dividend or distribution equivalent payments;
- the number of other Securities that may be issued or delivered upon the conversion or exchange of each Subscription Receipt;
- the identity of the Subscription Receipt agent;
- the designation and terms of any other Securities with which the Subscription Receipts will be offered, if any, and the number of Subscription Receipts that will be offered with each such Security;
- the terms relating to the holding and release of the gross proceeds from the sale of the Subscription Receipts (including any interest and income earned thereon) pending satisfaction or non-satisfaction of the escrow release or other conditions;
- whether such Subscription Receipts will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or conversion of the Subscription Receipts;

- the material income tax consequences of owning, holding and disposing of the Subscription Receipts; and
- any other material terms and conditions of the Subscription Receipts.

DESCRIPTION OF WARRANTS

The following sets forth the general terms and conditions of the Warrants. The particular terms and provisions of Warrants offered pursuant to any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such offering of Warrants. The Warrants either will be issued under a warrant indenture or agreement that will be entered into by Hydro One Limited and a trustee or warrant agent at the time of issuance of the Warrants or will be represented by warrant certificates issued by Hydro One Limited. A copy of any such warrant indenture or agreement, once executed, will be made available on SEDAR at www.sedar.com.

Warrants will entitle the holder thereof to receive other Securities (typically Common Shares or Preferred Shares) upon the exercise thereof and payment of the applicable exercise price. A Warrant is typically exercisable for a specific period of time at the end of which time it will expire and cease to be exercisable. Warrants may be offered independently or together with other Securities and may be attached to, or separate from, any such offered Securities.

Holders of Warrants are not shareholders of Hydro One Limited. The particular terms and provisions of Warrants offered by this Prospectus will be described in the Prospectus Supplement filed in respect of the offering of such Warrants. This description may include, without limitation and as applicable:

- the title or designation of the Warrants;
- the number of Warrants offered and the offering price thereof;
- the number of other Securities purchasable upon exercise of the Warrants and the procedures for exercise;
- the exercise price of the Warrants;
- the dates or periods during which the Warrants are exercisable and when they expire;
- the designation and terms of any other Securities with which the Warrants will be offered, if any, and the number of Warrants that will be offered with each such Security;
- whether such Warrants will be subject to redemption or call, and if so, the terms of such redemption or call provisions;
- any minimum or maximum amount of Warrants that may be exercised at any one time;
- whether such Warrants will be listed on any securities exchange;
- any terms, procedures and limitations relating to the transferability, exchange or exercise of the Warrants;
- the material income tax consequences of owning, holding and disposing of the Warrants; and
- any other material terms and conditions of the Warrants.

DESCRIPTION OF UNITS

The following sets forth the general terms and conditions of the Units. The particular terms and provisions of the Units offered by any Prospectus Supplement, and the extent to which the general terms and provisions described below may apply to them, will be described in the Prospectus Supplement filed in respect of such offering of Units. Units are securities consisting of one or more of the other Securities described in this Prospectus offered together as a “Unit”. A Unit is typically issued such that the holder thereof is also the holder of each Security included in the Unit. Thus, the holder of a Unit will have the rights and obligations of a holder of each Security comprising the Unit. The unit agreement under which a Unit is issued may provide that the Securities comprising the Unit may not be held or transferred separately at any time or at any time before a specified date.

The particular terms and provisions of Units offered by this Prospectus will be described in the Prospectus Supplement filed in respect of the offering of such Units. This description may include, without limitation and as applicable:

- the designation and terms of the Units and of the Securities comprising the Units, including whether and under what circumstances those Securities may be held or transferred separately;
- any provisions for the issuance, payment, settlement, transfer or exchange of the Units or of the Securities comprising the Units;
- whether such Units will be listed on any securities exchange;
- whether the Units and the underlying Securities will be issued in fully registered or global form; and
- any other material terms and conditions of the Units.

PRIOR SALES

All information in this section is provided as of August 12, 2022. Hydro One Limited has not sold or issued any Preferred Shares, Debt Securities, Subscription Receipts, Warrants, Units or securities convertible into Common Shares, Preferred Shares, Debt Securities, Subscription Receipts, Warrants or Units during the 12-month period before the date of this Prospectus.

Common Shares

The following table sets out the issuance of Common Shares that occurred during the 12-month period before the date of this Prospectus:

Date of Issue	Securities	Price per Security	Number of Common Shares Issuable or Issued (as applicable)
December 9, 2021	Common Shares(1)	$29.27	12
December 31, 2021	Common Shares(1)	$25.34	122
December 31, 2021	Common Shares(1)	$29.27	101
January 4, 2022	Common Shares(2)	$32.72	108,710
April 5, 2022	Common Shares(1)	$33.68	388,129
June 20, 2022	Common Shares(1)	$33.68	192

Notes:

(1) Upon terms and conditions previously agreed to, Hydro One issued these Common Shares to eligible employees at the initial public offering price of the Common Shares in accordance with the provisions of the Society of United Professionals Share Grant Plan and the Power Workers' Union Share Grant Plan.

(2) Represents Common Shares issued from treasury upon the exercise of stock options ("**Stock Options**"). The price per security indicated above represents the exercise price per Stock Option.

TRADING PRICE AND VOLUME

The Common Shares are listed and posted for trading on the TSX under the symbol "H". The following table sets forth the reported high and low trading prices and the trading volumes for the Common Shares as reported by the TSX for the periods indicated:

Period	**High ($)**	**Low ($)**	**Volume**
August 2021	32.12	30.63	14,316,563
September 2021	32.14	29.85	29,782,163
October 2021	30.58	29.13	16,045,284
November 2021	31.31	29.52	17,855,629
December 2021	33.00	30.90	14,712,741
January 2022	33.1	31.31	17,861,391
February 2022	33.67	30.52	36,059,922
March 2022	34.17	31.15	43,007,668
April 2022	36.09	33.56	18,230,214
May 2022	36.11	34.07	26,439,393
June 2022	35.81	32.44	37,928,284
July 2022	36.43	33.92	17,840,829
August 1, 2022 to August 11, 2022	36.44	35.28	6,721,146

CERTAIN INCOME TAX CONSIDERATIONS

The applicable Prospectus Supplement may describe certain Canadian federal income tax considerations generally applicable to investors of purchasing, holding and disposing of the Securities offered thereunder.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase Securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment, irrespective of the determination at a later date of the purchase price of the Securities distributed if offered on a non-fixed price basis. In several of the provinces and territories, securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that such remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

In an offering of convertible, exchangeable or exercisable Securities, investors are cautioned that the statutory right of action for damages for a misrepresentation contained in the Prospectus is limited, in certain provincial and territorial securities legislation, to the price at which the convertible, exchangeable or exercisable securities are offered to the public under this Prospectus. This means that, under the securities legislation of certain provinces and territories of Canada, if the purchaser pays additional amounts upon the conversion, exchange or exercise of the Security, those amounts may not be recoverable under the statutory right of action for damages that applies in those provinces or territories. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

Original purchasers of convertible, exchangeable or exercisable Securities under this Prospectus will have a contractual right of rescission against Hydro One Limited in respect of the conversion, exchange or exercise of such Securities, as the case may be. This contractual right of rescission will entitle such original purchasers to receive the amount paid for the applicable convertible, exchangeable or exercisable Securities (and any additional amount paid upon conversion, exchange or exercise), upon surrender of the underlying Securities, in the event that this Prospectus (as supplemented or amended) contains a misrepresentation, provided that: (i) the conversion, exchange or exercise takes place within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus; and (ii) the right of rescission is exercised within 180 days of the date of the purchase of the convertible, exchangeable or exercisable Security under this Prospectus. This contractual right of rescission will be consistent with the statutory right of rescission described under section 130 of the *Securities Act* (Ontario), and is in addition to any other right or remedy available to original purchasers under section 130 of the *Securities Act* (Ontario) or otherwise at law. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for the particulars of these rights or consult with a legal advisor.

EXEMPTIONS

Exemption Permitting Preparation of Financial Statements in Accordance with U.S. GAAP

On March 27, 2018, Hydro One Limited obtained a decision from the Ontario Securities Commission, as principal regulator, on behalf of itself and the securities regulatory authorities in each of the other provinces and territories of Canada, exempting Hydro One Limited from the requirements in section 3.2 of National Instrument 52-107 – *Acceptable Accounting Principles and Auditing Standards* which requires financial statements to be prepared in accordance with and disclosed in compliance with International Financial Reporting Standards. The decision granting the exemption permits Hydro One Limited to prepare and present its financial statements required to be filed with the securities regulatory authorities in each of the provinces and territories of Canada (including financial statements included in any prospectus of Hydro One Limited) in accordance with U.S. GAAP until the earliest to occur of the following:

(a) January 1, 2024;

(b) if Hydro One Limited ceases to have activities subject to rate regulation, the first day of Hydro One Limited's financial year commencing after it ceases to have such activities subject to rate regulation; and

(c) the effective date prescribed by the International Accounting Standards Board for the mandatory application of a standard within International Financial Reporting Standards specific to entities with activities subject to rate regulation.

The exemption was requested: (i) due to continuing uncertainty of accounting treatment and lack of a specific mandatory standard for entities with activities subject to rate regulation under International Financial Reporting Standards; (ii) because U.S. GAAP provides a more suitable set of accounting principles for entities with activities subject to rate regulation and is more consistent with those prescribed by the Ontario Energy Board; and (iii) to ensure consistency with and comparability to the financial statements of Hydro One Inc. which reports in U.S. GAAP, as well as Hydro One Limited's industry peers that currently report in U.S. GAAP.

Reliance on Exemptions for Well-Known Seasoned Issuers

The securities regulatory authorities in each of the provinces and territories of Canada have adopted substantively harmonized blanket orders, including Ontario Instrument 44-501 – *Exemption from Certain Prospectus Requirements for Well-known Seasoned Issuers (Interim Class Order)* (together with the equivalent local blanket orders in each of the other provinces and territories of Canada, collectively, the "**WKSI Blanket Orders**"). This Prospectus has been filed by Hydro One Limited in reliance upon the WKSI Blanket Orders, which permit "well-known seasoned issuers", or "WKSIs", to file a final short form base shelf prospectus as the first public step in an offering, and exempt qualifying issuers from certain disclosure requirements relating to such final short form base shelf prospectus.

LEGAL MATTERS

Unless otherwise indicated in the Prospectus Supplement relating to an offering of Securities, the particular offering of Securities will be subject to approval of certain legal matters on behalf of Hydro One Limited by Osler, Hoskin & Harcourt LLP. As of the date of this Prospectus, the partners and associates of Osler, Hoskin & Harcourt LLP, as a group, beneficially owned, directly or indirectly, less than 1% of outstanding securities of any class issued by Hydro One Limited. In addition, certain legal matters in connection with any offering of Securities will be passed upon for any underwriters, dealers, agents or the selling securityholders, as applicable, by counsel to be designated at the time of the offering.

AUDITORS, TRANSFER AGENT AND REGISTRAR

KPMG LLP, Chartered Professional Accountants, located at 333 Bay Street, Suite 4600, Bay Adelaide Centre, Toronto, Ontario, M5H 2S5, are the auditors of Hydro One Limited and have confirmed that they are independent of Hydro One Limited within the meaning of the relevant rules and related interpretations prescribed by the relevant professional bodies in Canada and any applicable legislation or regulation.

Computershare Trust Company of Canada at its principal office in Toronto, Ontario is the transfer agent and registrar for the Common Shares.

CERTIFICATE OF HYDRO ONE LIMITED

Dated: August 15, 2022

This short form prospectus, together with the documents incorporated in this prospectus by reference, will, as of the date of the last supplement to this prospectus relating to the securities offered by this prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this prospectus and the supplement(s) as required by the securities legislation of each of the provinces and territories of Canada.

HYDRO ONE LIMITED

(signed) William Sheffield Interim President and Chief Executive Officer	(signed) Chris Lopez Chief Financial Officer

On behalf of the Board of Directors:

(signed) Timothy Hodgson Director	(signed) Russel Robertson Director

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